



## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

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GRACE ROBINSON HYDE  
Chief Engineer and General Manager

June 2, 2016

File: 31-150.13.10

Boards of Directors  
County Sanitation District No. 27 and  
Newhall Ranch Sanitation District  
of Los Angeles County

Directors:

The consolidated agenda includes the following items for the regular meetings of the Boards of Directors of the Districts meeting Tuesday, June 14, 2016.

1. Minutes. Copies of the minutes have been provided to each of the Directors.

2. District Estimated Expenses. Local District expenses represent costs incurred for operations, maintenance, and capital projects that are the sole responsibility of the individual District. The District's share of allocated expenses represent their proportionate share of expenses made by District No. 2, the administrative District, on behalf of the individual districts that participate in either the Joint Administration Agreement or the Joint Outfall Agreement. These Agreements provide for the management of the operations, maintenance, and capital costs associated with all of the shared facilities along with the methodology for determining the proportionate costs for each participating district.

Local District Expenses:	
Operations & Maintenance (O & M)	\$21,205.11
Capital	21,282.02
District No. 27's Share of Allocated Expenses for O & M and Capital:	
Joint Administration	1,273.74
Technical Support	712.31
Total Expenses	<u>\$44,473.18</u>

Local District Expenses:	
Operations & Maintenance (O & M)	\$29,803.23
Capital	793.70
Newhall Ranch Sanitation District's Share of Allocated Expenses for O & M and Capital:	
Joint Administration	1,274.92
Technical Support	716.91
Total Expenses	<u>\$32,588.76</u>

3. Specific Purpose Investments by Los Angeles County Treasurer and Tax Collector (both Districts). The Districts have utilized the Treasurer to invest non-operating funds through the County's Specific Purpose Investment (SPI) program and in accordance with each District's investment policy. The Treasurer has requested that each District adopt a Resolution, as attached, that clarifies some of the old language regarding SPI investments and also a new Memorandum of Understanding that better defines the roles and responsibilities of the parties.

4. Appropriations Limits (3) (District No. 27). The Constitution of the State of California, which was amended in November 1979, places a constitutional limit on the authorization to expend the proceeds of taxes levied by state and local government in California. In January 1981, the Government Code was amended to require the governing body for each local jurisdiction to establish, by resolution, an appropriations limit for each fiscal year. The appropriations limit for fiscal year (FY) 2016-17 has been determined by adjusting the previous limit for FY 2015-16, based upon population change factors for Los Angeles County and the change in the California Personal Per Capita Income. No adjustments were made for mandated costs as there are no scheduled projects

for the forthcoming fiscal year. This is in accordance with the procedures outlined in Article XIII B and Section 7910 of the California Government Code. The calculations are shown in Exhibit No. 1.

5. Wastewater Budget Matters for Fiscal Year 2015-16 (3) (District No. 27). Attached is a copy of the proposed budget for FY 2016-17 with a breakdown of the items included in the sewerage system budget. The budget has been prepared to show necessary expenditures for the FY July 1, 2016 to June 30, 2017 and cash flow requirements for the following six-month period until future income becomes available. Budget resources for District No. 27 include cash on hand, a pro rata share of ad valorem tax, interest, and reserves. The sewerage system budget has been prepared in accordance with the Joint Administration Agreement. In the case of Districts which contract with the City of Los Angeles for sewerage service (District No. 27), the Joint Administration Agreement states that these Districts shall pay one one-hundredth of one percent of all joint expenses. District No. 27 currently owns and operates trunk sewers within the District. However, the District does not own or operate any treatment and disposal facilities. The District contracts for these services with the City of Los Angeles. The District's staff has no direct control over the City of Los Angeles' costs. Thus, the portion of the proposed budget attributable to contract disposal Operations and Maintenance (O&M) and capital is a direct reflection of the City of Los Angeles' O&M and capital costs. The local O&M and local capital costs only reflect the cost of operating and maintaining the District's local sewer system.

6. Budget Matters for Fiscal Year 2016-17 (3) (NRSD). Attached is a copy of the proposed budget for FY 2016-17 with a breakdown of the items included in the budget. The budget has been prepared to show necessary expenditures for the FY July 1, 2016 to June 30, 2017. The only budget resource for Newhall Ranch Sanitation District at this time is payments from Newhall Land and Farming that are placed in an escrow account to be used as reimbursement for staff costs. The budget has been prepared in accordance with the Joint Administration Agreement. In the case of Districts that do not have an active sewerage system (Newhall Ranch Sanitation District), the Joint Administration agreement states that these Districts shall pay one one-hundredth of one percent of all joint expenses.

Very truly yours,



Grace Robinson Hyde

GRH:rza  
Enclosures

Notice and Agenda

REGULAR MEETINGS — BOARD OF DIRECTORS — COUNTY SANITATION DISTRICT NO. 27/  
NEWHALL RANCH SANITATION DISTRICT

To be held in the HEARING ROOM  
OF THE BOARD OF SUPERVISORS  
Kenneth Hahn Hall of Administration, Los Angeles, California

TUESDAY		June 14, 2016		At 9:30 A.M.
ANTONOVICH	KNABE	SOLIS (Chairperson)	KUEHL	RIDLEY-THOMAS

1. Recommendation: Approve minutes of the regular meetings held March 8, 2016.
2. Recommendation: Approve estimated February, March, and April 2016 expenses in total amounts of \$44,473.18 (District No. 27) and \$32,588.76 (NRSD).
3. Recommendation: Specific Purpose Investments Made by Los Angeles County Treasurer and Tax Collector (Treasurer) on Behalf of District
  - a) Adopt Resolution approving Memorandum of Understanding (MOU) providing terms and conditions for Specific Purpose Investments by the Treasurer (both Districts)
  - b) Order execution of MOU (both Districts)
4. Recommendation: Establish by resolution appropriations limit of \$834,727 as Required by California Government Code Section 7910 utilizing the population change within the County. (District No. 27)
5. Recommendation: Adopt Operating Fund Budget. (both Districts)
6. Recommendation: Adopt Resolution requesting tax levy of \$269,000. (District No. 27)
7. Recommendation: Authorize appropriations per Budget. (both Districts)

Adjourn

**A RESOLUTION OF THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 27 OF LOS ANGELES COUNTY, CALIFORNIA, AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING DIRECTING THE SPECIFIC INVESTMENT OF EXCESS DISTRICT FUNDS BY THE LOS ANGELES COUNTY TREASURER AND TAX COLLECTOR**

**WHEREAS**, the Board of Directors ("Board") of Sanitation District No. 27 of Los Angeles County ("District") has excess funds available for investment by the office of the Los Angeles County Treasurer and Tax Collector ("Treasurer"); and

**WHEREAS**, specific investment objectives of the District may require that all or a portion of these funds be invested in instruments other than the Los Angeles County Pooled Surplus Investment fund; and

**WHEREAS**, the Board is aware that the Treasurer, upon request and with approval of the Board, will make specific investments at the request of and on behalf of the District pursuant to a Memorandum of Understanding ("MOU"); and

**WHEREAS**, the Board has determined that it is desirable for the Treasurer, on behalf of the District, to make certain specific investments at the District's request. In making this determination, the Board is aware that the investment of excess funds in specific investments represent a commitment of such funds for a designated period of time; and

**WHEREAS**, the Board acknowledges and fully understands that a request by the District directing the Treasurer to liquidate a specific investment prior to the investment's maturity date may result in a loss of principal and/or anticipated income as a result of such liquidation; and

**WHEREAS**, the Board hereby agrees to the payment of fees to the Treasurer for services related to the investment of excess funds, as detailed in the Memorandum of Understanding, Attachment A, "Los Angeles County Treasurer Specific Purpose Investment Fee Schedule," which may be amended from time to time.

**WHEREAS**, the following District positions and their designees, if applicable, are designated and authorized to commit District funds to be specifically invested by the Treasurer, until this designation is revoked or amended by the Board and delivered to the Treasurer in writing:

Authorized Position(s)

Chief Engineer & General Manager

Assistant Chief Engineer & Assistant General Manger

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS AS FOLLOWS:**

**SECTION 1.** The names, titles, and specimen signatures of the persons currently holding the positions designated herein and contained in the Memorandum of Understanding, Attachment B, "Authorized List of Designees," are authorized to make specific investments of the District's excess funds with the Treasurer. The Board Secretary shall revise and deliver to the Treasurer any changes to Attachment B as they occur. The Treasurer may rely on the latest authorized list received from the District.

**SECTION 2.** The District agrees to indemnify the County, Treasurer, their employees and representatives, and hold them harmless against, any loss of principal or interest, liability or expense incurred without gross negligence or bad faith on the Treasurer's part, arising out of or in connection with its acceptance or administration of its duties hereunder.

**SECTION 3.** Approval of the form of Memorandum of Understanding for the investment of funds in specific instruments, substantially in the form attached.

**SECTION 4.** The District has its own Investment Policy.

**PASSED AND ADOPTED** this 14th day of June, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

COUNTY SANITATION DISTRICT NO. 27  
OF LOS ANGELES COUNTY

ATTEST:

By \_\_\_\_\_  
Secretary to the Board

By \_\_\_\_\_  
Chairperson, Board of Directors

**A RESOLUTION OF THE BOARD OF DIRECTORS OF NEWHALL RANCH SANITATION DISTRICT OF LOS ANGELES COUNTY, CALIFORNIA, AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING DIRECTING THE SPECIFIC INVESTMENT OF EXCESS DISTRICT FUNDS BY THE LOS ANGELES COUNTY TREASURER AND TAX COLLECTOR**

**WHEREAS**, the Board of Directors ("Board") of Newhall Ranch Sanitation District of Los Angeles County ("District") has excess funds available for investment by the office of the Los Angeles County Treasurer and Tax Collector ("Treasurer"); and

**WHEREAS**, specific investment objectives of the District may require that all or a portion of these funds be invested in instruments other than the Los Angeles County Pooled Surplus Investment fund; and

**WHEREAS**, the Board is aware that the Treasurer, upon request and with approval of the Board, will make specific investments at the request of and on behalf of the District pursuant to a Memorandum of Understanding ("MOU"); and

**WHEREAS**, the Board has determined that it is desirable for the Treasurer, on behalf of the District, to make certain specific investments at the District's request. In making this determination, the Board is aware that the investment of excess funds in specific investments represent a commitment of such funds for a designated period of time; and

**WHEREAS**, the Board acknowledges and fully understands that a request by the District directing the Treasurer to liquidate a specific investment prior to the investment's maturity date may result in a loss of principal and/or anticipated income as a result of such liquidation; and

**WHEREAS**, the Board hereby agrees to the payment of fees to the Treasurer for services related to the investment of excess funds, as detailed in the Memorandum of Understanding, Attachment A, "Los Angeles County Treasurer Specific Purpose Investment Fee Schedule," which may be amended from time to time.

**WHEREAS**, the following District positions and their designees, if applicable, are designated and authorized to commit District funds to be specifically invested by the Treasurer, until this designation is revoked or amended by the Board and delivered to the Treasurer in writing:

Authorized Position(s)

Chief Engineer & General Manager

Assistant Chief Engineer & Assistant General Manger

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS AS FOLLOWS:**

**SECTION 1.** The names, titles, and specimen signatures of the persons currently holding the positions designated herein and contained in the Memorandum of Understanding, Attachment B, "Authorized List of Designees," are authorized to make specific investments of the District's excess funds with the Treasurer. The Board Secretary shall revise and deliver to the Treasurer any changes to Attachment B as they occur. The Treasurer may rely on the latest authorized list received from the District.

**SECTION 2.** The District agrees to indemnify the County, Treasurer, their employees and representatives, and hold them harmless against, any loss of principal or interest, liability or expense incurred without gross negligence or bad faith on the Treasurer's part, arising out of or in connection with its acceptance or administration of its duties hereunder.

**SECTION 3.** Approval of the form of Memorandum of Understanding for the investment of funds in specific instruments, substantially in the form attached.

**SECTION 4.** The District has its own Investment Policy.

**PASSED AND ADOPTED** this 14th day of June, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

NEWHALL RANCH SANITATION  
DISTRICT OF LOS ANGELES COUNTY

ATTEST:

By \_\_\_\_\_  
Secretary to the Board

By \_\_\_\_\_  
Chairperson, Board of Directors

**COUNTY SANITATION DISTRICT NO. 27 OF LOS ANGELES COUNTY  
SEWERAGE SYSTEM FINAL BUDGET FOR 2016-17**

**REQUIREMENTS FOR FISCAL YEAR  
JULY 1 THROUGH JUNE 30:**

**APPROPRIATION:**

O&M - Joint Administration	\$	4,000	
O&M - Technical Services		1,000	
O&M - Contract Disposal		41,000	
O&M - Local District Sewers		10,000	
Capital - Joint Administration		1,000	
Capital - Local Capital		2,000	
Capital - Contract Disposal		47,000	
Bond Repayment		64,000	
Contingency for Emergency		10,000	
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	\$		180,000

TRANSFER TO RATE STABILIZATION FUND		155,000
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CASH FLOW REQUIREMENT (for period JULY 1 THROUGH DECEMBER 31)		<hr/>	123,000
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TOTAL BUDGET:	\$	458,000
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**ESTIMATED CASH AND REVENUE:**

Cash on Hand July 1	\$	182,000	
Taxes		275,000	
Interest		1,000	
		<hr/>	
TOTAL RESOURCES:	\$		458,000



**COUNTY SANITATION DISTRICT NO. 27 OF LOS ANGELES COUNTY  
JULY 1, 2016 THROUGH JUNE 30, 2017**

**PROPOSED CAPITAL PROJECTS**

JOINT ADMINISTRATION:		\$	1,000
LOCAL:			
1. Miscellaneous Capital Projects	<u>\$</u>	<u>2,000</u>	
		\$	2,000
CONTRACT DISPOSAL (CITY OF LOS ANGELES)			<u>47,000</u>
TOTAL PROPOSED CAPITAL PROJECTS:		\$	50,000

**RATE STABILIZATION FUND**

Beginning Balance	\$	463,000
Revenue		155,000
Interest		<u>4,000</u>
Ending Balance	\$	622,000

**NEWHALL RANCH SANITATION DISTRICT OF LOS ANGELES COUNTY  
SEWERAGE SYSTEM FINAL BUDGET FOR 2016-17**

**REQUIREMENTS FOR FISCAL YEAR  
JULY 1 THROUGH JUNE 30:**

**APPROPRIATION:**

O&M - Joint Administration	\$ 4,000
O&M - Technical Services	1,000
Capital - Joint Administration	1,000
Newhall Ranch Sanitation District Development	152,000
Contingency for Emergency	<u>2,000</u>

TOTAL BUDGET: \$ 160,000

**ESTIMATED CASH AND REVENUE:**

Newhall Ranch and Farming	<u>\$ 160,000</u>
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TOTAL RESOURCES: \$ 160,000